

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0742-01
Bill No.: HB 167
Subject: Changes the amount the state will pay for institutionalization of children.
Type: Original
Date: January 29, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$632,224) to (\$3,582,750)	(\$770,100) to (\$4,428,279)	(\$781,500) to (\$4,561,127)
Total Estimated Net Effect on <u>All</u> State Funds	(\$632,224) to (\$3,582,750)	(\$770,100) to (\$4,428,279)	(\$781,500) to (\$4,561,127)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$632,224 to \$3,582,750	\$770,100 to \$4,428,279	\$781,500 to \$4,561,127

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration** and **State Courts Administrator** assume the proposed legislation would not have a fiscal impact on their organizations.

Officials from the **Department of Corrections** did not respond to our request for a fiscal impact statement. **Oversight** assumes this proposal will not fiscally impact their agency.

Officials from the **St. Louis Family Court (St. Louis Court)** indicated the proposal would increase their expected revenues between \$125,682 and \$837,880 annually depending on the reimbursement amount (\$20 - \$37 per day). Officials from the St. Louis Court stated the revenues are based on current days and a full year. No inflationary increases were calculated. **Oversight** will reflect the increased revenues to all local governments in the same amount as the increased expenditures to the Department of Social Services.

Officials from the **Department of Social Services (DOS)** assume this proposal will impact state funds as the proposal requires counties to be reimbursed a minimum of \$20 per day instead of the current \$17 a day, beginning with billings received for juveniles in detention after August 28, 2001.

The DOS estimates 252,900 days reimbursed at \$3 (\$20 - \$17) extra per day which totals \$758,700 or \$632,224 for the 10 months of FY 02. The DOS provided cost estimates of \$770,100 and \$781,500 for Fiscal Years 2003 and 2004, respectively.

Oversight has ranged the fiscal impact from the minimum reimbursement increase of \$3 per day, as provided by the DOS, to the maximum reimbursement increase of \$17 per day (\$37 - \$20). Multiplying the numbers of days of detention by the maximum increase in costs per day (\$17) totals \$4,299,300 for FY 02. However, this total was prorated to 10 months for FY 02, resulting in a total cost estimate of \$3,582,750. Detention costs were increased by 3% for FY 2003 and 2004. All costs were assumed to be appropriated from the General Revenue Fund based on prior funding sources.

ASSUMPTION (continued)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE FUND

Costs - Department of Social Services

Increased Reimbursements to Local Governments for Juvenile Detention	(\$632,224) to (\$3,582,750)	(\$770,100) to (\$4,428,279)	(\$781,500) to (\$4,561,127)
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TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(\$632,224) to <u>(\$3,582,750)</u>	(\$770,100) to <u>(\$4,428,279)</u>	(\$781,500) to <u>(\$4,561,127)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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Revenue

Increase in Per Diem Reimbursements	\$632,224 to <u>\$3,582,750</u>	\$770,100 to <u>\$4,428,279</u>	\$781,500 to <u>\$4,561,127</u>
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NET EFFECT ON LOCAL GOVERNMENT FUNDS	\$632,224 to <u>\$3,582,750</u>	\$770,100 to <u>\$4,428,279</u>	\$781,500 to <u>\$4,561,127</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The state payments to counties which own or operate homes for neglected and delinquent children are now \$17 per day per child. This proposal would raise the amount to a minimum of \$20 a day to a maximum of \$37 per day per child. In addition, when a child is detained in a facility as provided in Section 211.151, RSMo, the state payment would also be increased from \$17 per day to a minimum of \$20 and maximum of \$37 per day per child.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Office of State Courts Administrator
Office of Administration
St. Louis County Family Court

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large, looped initial "J" and a cursive "Jarrett".

Jeanne Jarrett, CPA
Director

January 29, 2001